

### ***Caution: DRAFT FORM***

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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

# Parents' Election To Report Child's Interest and Dividends

▶ See instructions below and on back.  
 ▶ Attach to parents' Form 1040 or Form 1040NR.

OMB No. 1545-1128

**2000**

Attachment  
 Sequence No. **40**

Name(s) shown on your return

Your social security number

**Caution:** The Federal income tax on your child's income, including capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax Benefits You May Not Take** on the back.

**A** Child's name (first, initial, and last)

**B** Child's social security number

**c** If more than one Form 8814 is attached, check here

## Part I Child's Interest and Dividends To Report on Your Return

<b>1a</b> Enter your child's <b>taxable</b> interest. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions	<b>1a</b>		
<b>b</b> Enter your child's <b>tax-exempt</b> interest. <b>Do not</b> include this amount on line 1a	<b>1b</b>		
<b>2</b> Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends. If your child received any ordinary dividends as a nominee, see the instructions	<b>2</b>		
<b>3</b> Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions	<b>3</b>		
<b>4</b> Add lines 1a, 2, and 3. If the total is \$1,400 or less, skip lines 5 and 6 and go to line 7. If the total is \$7,000 or more, <b>do not</b> file this form. Your child <b>must</b> file his or her own return to report the income	<b>4</b>		
<b>5</b> Base amount	<b>5</b>	1,400	00
<b>6</b> Subtract line 5 from line 4. If you checked the box on line C above or if you entered an amount on line 3, see the instructions. Also, include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. In the space next to line 21, enter "Form 8814" and show the amount. Go to line 7 below	<b>6</b>		

## Part II Tax on the First \$1,400 of Child's Interest and Dividends

<b>7</b> Amount not taxed	<b>7</b>	700	00
<b>8</b> Subtract line 7 from line 4. If the result is zero or less, enter -0-	<b>8</b>		
<b>9</b> <b>Tax.</b> Is the amount on line 8 less than \$700? <input type="checkbox"/> <b>No.</b> Enter \$105 here and see the <b>Note</b> below. <input type="checkbox"/> <b>Yes.</b> Multiply line 8 by 15% (.15). Enter the result here and see the <b>Note</b> below.	<b>9</b>		

**Note:** If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 9 in the tax you enter on Form 1040, line 40, or Form 1040NR, line 39. Be sure to check box **a** on Form 1040, line 40, or Form 1040NR, line 39.

## General Instructions

**Purpose of Form.** Use this form if you elect to report your child's income on your return. If you do, your child will not have to file a return. You can make this election if your child meets **all** of the following conditions.

- Was under age 14 on January 1, 2001.
- Is required to file a 2000 return.
- Had income only from interest and dividends, including Alaska Permanent Fund dividends.
- Had gross income for 2000 that was less than \$7,000.
- Had no estimated tax payments for 2000 (including any overpayment of tax from his or her 1999 return applied to 2000 estimated tax).

- Had no Federal income tax withheld from his or her income.

You must also qualify. See **Parents Who Qualify To Make the Election** below.

**How To Make the Election.** To make the election, complete and attach Form(s) 8814 to your tax return and file your return by the due date (including extensions). A separate Form 8814 must be filed for **each** child whose income you choose to report.

**Parents Who Qualify To Make the Election.** You qualify to make this election if you file Form 1040 or Form 1040NR and **any** of the following apply.

- You are filing a joint return for 2000 with the child's other parent.
- You and the child's other parent were married to each other but file separate

returns for 2000 **and** you had the **higher** taxable income. If you do not know if you had the higher taxable income, see **Pub. 929, Tax Rules for Children and Dependents**.

- You were unmarried, treated as unmarried for Federal income tax purposes, or separated from the child's other parent by a divorce or separate maintenance decree. You must have had custody of your child for most of the year (you were the custodial parent). If you were the custodial parent and you remarried, you may make the election on a joint return with your new spouse. But if you and your new spouse do not file a joint return, you qualify to make the election only if you had **higher** taxable income than your new spouse.

(continued)